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Kentucky Central Life creditors to get \$50 million

FRANKFORT, Ky. - Kentucky Insurance Commissioner George Nichols III announced today that he is distributing \$50 million on behalf of policyholders and the guaranty associations protecting them when Kentucky Central Life Insurance Co. became insolvent.

The money comes from the sale or settlement of assets involving the former Lexington-based insurance company.

Franklin Circuit Judge William L. Graham approved the distribution yesterday as requested by Nichols, who serves as Liquidator of the company.

"We have now repaid \$177.2 million to policyholders and the guaranty associations who stepped in to assure Kentucky Central policies were honored," Nichols said. "This latest round of money comes from our great success in recent months of selling Kincaid Towers and reaching a \$10.95 million cash and property settlement with former Gov. Wallace Wilkinson."

This is the third payment to policyholders and to life and health guaranty associations who loaned money or provided reinsurance coverage to Jefferson-Pilot Life Insurance Co. when it assumed and honored a majority of the existing policies. Added to today's \$50 million distribution was \$37.2 million in June 1998, \$40 million in May 1997 and \$50 million in February 1996.

For policyholders who chose not to participate in the reinsurance program or were not covered by the guaranty associations, distributions are made directly to them.

As insurance commissioner, Nichols is responsible for overseeing one of the nation's largest insurance insolvencies and liquidations. Kentucky Central was declared insolvent and ordered into liquidation in August 1994.

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